



POLICE DEPARTMENT NEWS

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CARLSBAD POLICE ANNOUNCE ARREST IN MAJOR FRAUD CASE; SEEK ADDITIONAL VICTIMS

Carlsbad Police Department has arrested two men believed to be responsible for an investment fraud scheme dating back to as early as 2001. Alan Espiritu, age 35, and Cesar Moreno, age 40, were both arrested by Carlsbad Police at their residences on November 3.

The case has been under investigation since May 2008 when a victim called Carlsbad Police Department to report a fraud. Since then, the case has grown to 25 victims with a total loss of over \$1.2 million. Victims are from throughout San Diego County including Fallbrook, Valley Center, and Chula Vista, as well as other Southern California locations such as Temecula and the San Fernando Valley.

Espiritu and Moreno targeted non-English speaking Hispanics. They told victims that their company, Permex, was a development company and guaranteed investment returns as high as 25%. Espiritu and Moreno would befriend their victims, often getting involved socially with their families. In exchange for their investment, victims received little or nothing in return. Some victims were offered loan modifications and encouraged to stop making house payments and instead, invest those funds with Permex. Many victims lost not only their investments but also their homes.

"What makes this case so awful is that Espiritu and Moreno preyed on a vulnerable group of hard-working people who lived frugal lives, saving every dollar they could," said Carlsbad Detective Patty Parra, lead investigator.

Investigators are seeking additional victims. Anyone who has lost money in their dealings with Permex or either of the suspects is asked to call Carlsbad Police Department at **760-931-2294**.

"This is a good time to remind people to be wary of any investment opportunity that they are approached with – if something sounds too good to be true, you can guarantee that it is," said Parra. Additional fraud prevention tips are available at www.carlsbadca.gov/crime-prevention.

Espiritu and Moreno have been charged with numerous counts of grand theft as well as security fraud violations, and are in the Vista jail with bail set at \$1 million each; arraignment is set for Thursday afternoon in downtown San Diego.

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